

agreements, records, or contracts entered into have the same legal effect and recognition as paper transactions. Both of these objectives are complemented with provisions to ensure that consumers receive the same level of legal protection regardless of whether they conduct their transactions on paper or on line. For example, consumers must affirmatively consent electronically to receiving electronic records in a manner that reasonably demonstrates that they can access the information provided. In addition, the legislation provides that certain notices must be provided in paper, such as notices critical for the protection of consumers and public health and safety, notices of cancellation of all forms of insurance and insurance benefits, notices of default or actions to collect debts, and others.

When this legislation was initially debated on the House floor last year, I expressed concerns about its impact on existing consumer and fair lending laws and regulations. My concern centered on the potential for consumers to receive one level of protection for in-person, paper transactions, and another for on-line transactions. I was also concerned about the potential for unscrupulous and predatory practices. As a result, Banking Committee Chairman Leach and I, at my behest, wrote to the Federal Reserve to elicit their views on the legislation. The Federal Reserve, which administers consumer financial services and fair lending laws, shared my concerns and agreed that preserving its regulatory authority was essential to protecting consumers under existing consumer laws. I am happy to note that the conference report preserves this important regulatory authority, which has the dual benefit of protecting consumers from predatory practices, and providing the legal clarity that spares businesses from unnecessary litigation.

Mr. Speaker, as electronic commerce continues its rapid expansion, I fully support an approach that facilitates this growth while also protecting the rights of consumers. This conference report accomplishes both of these important goals. As our economy moves into the Electronic Age, this legislation will provide American consumers with the basic protections that they have come to know and expect from their financial service providers and from commerce in general.

Mr. WELLER. Mr. Speaker, thank you for this opportunity to support S. 761, the Conference Report on the Electronic Signatures in Global and National Commerce Act. This effort is groundbreaking, as this conference report is largest and most significant legislation on electronic commerce to date.

This bill ensures that electronic signatures and electronic records transferred via the Internet will have the same legal effect, validity or enforceability as contracts and other records signed by hand on paper. The scope of this legislation is broad and will protect interstate commerce. I am certain that the result of this important legislation will be greater confidence and security in conducting business and transactions over the Internet.

In the recent months, we have come far in our efforts to promote and encourage the growth of Internet use and e-commerce. A few weeks ago, the House voted to extend the existing moratorium on Internet taxation for an additional 5 years. I believe that this important

step will give the new e-economy the time it needs to grow and flourish at a time when the number of new websites and Internet users is doubling every 100 days!

Additionally, the House passed legislation recently to eliminate the outdated 3 percent excise tax on telephone use. This tax was originally collected to help pay the Spanish-American War, a war that ended more than 100 years ago! Today, more than 90% of Internet users access the Web over telephone lines. I believe it is time to repeal this outdated tax and make the information highway just that—a freeway not a tollway.

Mr. Speaker, I am proud to support the Conference Report on S. 761. I encourage my colleagues to do the same.

Mr. CONYERS. Mr. Speaker, the Internet has the potential to be the most pro-consumer development in recent history. It can empower consumers to obtain more useful information about products—such as price comparisons, safety information, and features—and to help consumers make more educated purchases.

But the Internet will never reach its full potential if consumers do not feel secure in the electronic marketplace. If we allow the Internet to become a lawless “Wild Wild West” and a safe-haven for fraudulent businesses, people will simply refuse to engage in on-line commerce. Ultimately, this is a bad result both for the Internet and for consumers.

The electronic signature legislation that the House passed last fall was deeply flawed. It set up a false choice between consumer protection and electronic commerce. In fact, the two can—and should—go hand in hand.

While I supported legislation that validated electronic signatures and contracts, I opposed H.R. 1714 because it left consumers vulnerable to fraud, and it undermined numerous federal and state consumer protection laws.

H.R. 1714 also weakened the ability of federal and state regulators to enforce important safety regulations and monitor industries such as the financial services industry, and the insurance industry.

As a result of the hard work of House and Senate Democrats and the Administration, the Conference Report that is before us today is a great improvement over the House-passed bill.

The Conference Report contains several new provisions to protect consumers. Unlike the House bill, the Conference Report requires that consumers receive a notice of their rights before they consent to receive documents electronically. Now, there will truly be “informed consent” by the consumer.

Equally important, under the Conference Report, the consumer's consent must be in the electronic form that will be used to provide the information. This is a vast improvement over the original bill because it ensures that a consumer can actually receive and open the electronic notices that are provided to him or her.

The Conference Report also creates a framework so that federal regulatory agencies can use their rulemaking authority to create guidelines for how to properly deliver and manage electronic records. This way, the government has the flexibility and authority to prevent abuses and fraud.

Some Senate Republicans oppose this Conference Report. They say it gives consumers

too many rights and does not do enough to grease the wheels for the financial services industry. I could not disagree more.

The Conference Report demonstrates that Congress can facilitate electronic commerce at the same time that we protect consumers. I am confident that this is what is best for the Internet in the long run.

Mr. BLILEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. FOLEY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

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□ 1230

#### RECESS

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 30 minutes p.m.), the House stood in recess subject to the call of the Chair.

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□ 1531

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 3 o'clock and 31 minutes p.m.

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#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

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#### CONFERENCE REPORT ON S. 761, ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT

The SPEAKER pro tempore. The pending business is the question of agreeing to the conference report on the Senate bill, S. 761, on which the yeas and nays are ordered.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the conference report.

The vote was taken by electronic device, and there were—yeas 426, nays 4, not voting 4, as follows: